



3015 (02-09-04)

ANNUAL REPORT

OF

Name: PHILLIPS MUNICIPAL WATER WORKS

Principal Office: 174 SOUTH EYDER AVENUE
P.O. BOX 21
PHILLIPS, WI 54552-0021

For the Year Ended: DECEMBER 31, 1998

WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

I LEE LAMOREAUX of
(Person responsible for accounts)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

CITY CLERK/TREASURER _____
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: PHILLIPS MUNICIPAL WATER WORKS**Utility Address:** 174 SOUTH EYDER AVENUE

P.O. BOX 21

PHILLIPS, WI 54552-0021

When was utility organized? 1/1/1924**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: MR JOHN MARTWICK**Title:** UTILITY SUPERINTENDENT**Office Address:**

P.O. BOX 21

PHILLIPS, WI 54555-0021

Telephone: (715) 339 - 3125**Fax Number:** (715) 339 - 3265**E-mail Address:** philpsch@win.bright.net

Individual or firm, if other than utility employee, preparing this report:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:**

Are records of utility audited by individuals or firms, other than utility employee? YES

Individual or firm, if other than utility employee, auditing utility records:

Name: LUTZ AND BOHL, CPA**Title:****Office Address:** LUTZ AND BOHL, CPA

P.O. BOX 525

PARK FALLS, WI 54552

Telephone:**Fax Number:****E-mail Address:****Date of most recent audit report:** 3/19/1999**Period covered by most recent audit:** 1998

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:**

Name of utility commission/committee:

Names of members of utility commission/committee:

MR MARK KRONBERGER, COMMISSION MEMBER

MR JOE PERKINS, COMMISSION MEMBER

MS KAY PLUEMER, COMMISSION MEMBER

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? YES****Date of Ordinance:****Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)?** NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	444,947	428,291	1
Operating Expenses:			
Operation and Maintenance Expense (401)	303,505	261,404	2
Depreciation Expense (403)	139,405	137,135	3
Amortization Expense (404)	0	0	4
Taxes (408)	53,335	49,260	5
Total Operating Expenses	496,245	447,799	
Net Operating Income	(51,298)	(19,508)	
Income from Utility Plant Leased to Others (412-413)	0	0	6
Utility Operating Income	(51,298)	(19,508)	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0	0	7
Nonoperating Rental Income (418)	0	0	8
Interest and Dividend Income (419)	21,579	3,713	9
Miscellaneous Nonoperating Income (421)	0	0	10
Total Other Income	21,579	3,713	
Total Income	(29,719)	(15,795)	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0	0	11
Other Income Deductions (426)	0	0	12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	(29,719)	(15,795)	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	28,266	9,215	13
Amortization of Debt Discount and Expense (428)			14
Amortization of Premium on Debt--Cr. (429)			15
Interest on Debt to Municipality (430)	5,794	14,729	16
Other Interest Expense (431)	0	0	17
Interest Charged to Construction--Cr. (432)			18
Total Interest Charges	34,060	23,944	
Net Income	(63,779)	(39,739)	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	(490,619)	(450,880)	19
Balance Transferred from Income (433)	(63,779)	(39,739)	20
Miscellaneous Credits to Surplus (434)	0	0	21
Miscellaneous Debits to Surplus--Debit (435)	9,824	0	22
Appropriations of Surplus--Debit (436)	0	0	23
Appropriations of Income to Municipal Funds--Debit (439)	0	0	24
Total Unappropriated Earned Surplus End of Year (216)	(564,222)	(490,619)	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
INTEREST ON BANK DEPOSITS	21,579	4
Total (Acct. 419):	21,579	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
CORRECTION OF BG BALANCE IN CUSTOMER ACCTS REC	9,824	9
Total (Acct. 435)--Debit:	9,824	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold					0	2
Payroll					0	3
Materials					0	4
Taxes					0	5
Other (list by major classes):						
NONE					0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	225,157	0	219,790	0	444,947	1
Less: interdepartmental sales	0		0	0	0	2
Less: interdepartmental rents					0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	216				216	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	224,941	0	219,790	0	444,731	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	5,622,555	5,596,837	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	1,262,207	1,122,952	2
Net Utility Plant	4,360,348	4,473,885	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0	0	5
Other Investments (124)	0	0	6
Special Funds (125)	87,884	34,789	7
Total Other Property and Investments	87,884	34,789	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	25,594	107,269	8
Temporary Cash Investments (132)	825,443		9
Notes Receivable (141)	0	0	10
Customer Accounts Receivable (142)	92,460	102,868	11
Other Accounts Receivable (143)	0	0	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	14,839	16,069	14
Materials and Supplies (150)	10,778	7,911	15
Prepayments (165)	0	0	16
Other Current and Accrued Assets (170)	3,212	128	17
Total Current and Accrued Assets	972,326	234,245	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0	0	18
Extraordinary Property Losses (182)	0	0	19
Other Deferred Debits (183)	17,822	0	20
Total Deferred Debits	17,822	0	
Total Assets and Other Debits	5,438,380	4,742,919	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	1,825,912	1,825,912	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	(564,222)	(490,619)	23
Total Proprietary Capital	1,261,690	1,335,293	
LONG-TERM DEBT			
Bonds (221)	1,020,000	220,000	24
Advances from Municipality (223)	127,540	146,740	25
Other long-Term Debt (224)	0	0	26
Total Long-Term Debt	1,147,540	366,740	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0	0	27
Accounts Payable (232)	11,128	5,244	28
Payables to Municipality (233)	50,924	68,646	29
Customer Deposits (235)			30
Taxes Accrued (236)	0	0	31
Interest Accrued (237)	24,271	9,998	32
Other Current and Accrued Liabilities (238)			33
Total Current and Accrued Liabilities	86,323	83,888	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0	0	34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0	0	36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	2,942,827	2,956,998	38
Total Liabilities and Other Credits	5,438,380	4,742,919	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	2,391,426	3,209,514	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)		21,615			5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	2,391,426	3,231,129	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	577,197	685,010	0	0	9
Total Accumulated Provision	577,197	685,010	0	0	
Net Utility Plant	1,814,229	2,546,119	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	Sewer (c)	(d)	(e)	Total (f)	
Balance first of year	538,844	584,108			1,122,952	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	38,059	101,346			139,405	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	444	(444)			0	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	38,503	100,902	0	0	139,405	13
Debits during year						14
Book cost of plant retired	150	0			150	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	150	0	0	0	150	19
Balance End of Year	577,197	685,010	0	0	1,262,207	20
Composite Depreciation Rate?	Yes	Yes				21
If yes, what is the rate?	1.63%	1.63%				22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE	0			0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)	0			0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year		2
Collection of accounts previously written off: Utility Customers		3
Collection of accounts previously written off: Others		4
Total Additions	<u>0</u>	
Deductions:		
Accounts written off during the year: Utility Customers		5
Accounts written off during the year: Others		6
Total accounts written off	<u>0</u>	
Balance end of year	<u><u>0</u></u>	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)	
Electric Utility							
Fuel for generation					0	0	1
Other					0	0	2
Total Electric Utility					0	0	

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	6,755	4,317	2
Sewer utility	4,023	3,594	3
Gas utility		0	4
Merchandise		0	5
Other materials & supplies		0	6
Total Materials and Supplies	10,778	7,911	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE	0	0	0	1
Total			<u>0</u>	
Unamortized premium on debt (251)				
NONE	0	0	0	2
Total			<u>0</u>	

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	1,825,912	1
Changes during year (explain):		
NONE		2
Balance end of year	<u>1,825,912</u>	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)	
FIRSTAR MORTGAGE REVENUE BOND	04/15/1989	01/15/2008	7.43%	0	1
FIRST WISCONSIN TRUST REVENUE	07/15/1998	07/15/2018	4.40%	1,020,000	2
Total Bonds (Account 221):				1,020,000	

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)	
Advances (223)					
PORTION OF GEN OBLIGATION BOND ISSUE	01/23/1994	03/01/2004	4.73%	127,540	1
Total for Account 223				127,540	

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Accruals:		
Charged water department expense	3,155	2
Charged electric department expense		3
Charged sewer department expense	2,982	4
Other (explain):		
NONE		5
Total Accruals and other credits	6,137	
Taxes paid during year:		
County, state and local taxes		6
Social Security taxes	6,137	7
PSC Remainder Assessment		8
Other (explain):		
NONE		9
Total payments and other debits	6,137	
Balance end of year	0	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
FIRSTAR MORTGAGE REVENUE BOND	7,659	680	8,339	0	1
FIRST WISCONSIN TRUST BOND		27,586	4,874	22,712	2
Subtotal	7,659	28,266	13,213	22,712	
Advances from Municipality (223)					
PORTION OF GENERAL OBLIGATION BOND ISSUE	2,339	5,794	6,574	1,559	3
Subtotal	2,339	5,794	6,574	1,559	
Other long-Term Debt (224)					
NONE	0			0	4
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE	0			0	5
Subtotal	0	0	0	0	
Total	9,998	34,060	19,787	24,271	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	1,328,138	0	0	1,628,860	0	2,956,998	1
Add credits during year:							
For Services						0	2
For Mains	6,712			8,032		14,744	3
Other (specify):							
NONE						0	4
Deduct charges (specify):							
GRANT AMORTIZATION				28,915		28,915	5
Balance End of Year	1,334,850	0	0	1,607,977	0	2,942,827	
Amount of federal and state grants in aid received for utility construction included in End of Year totals				542,915		542,915	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
NONE		2
Total (Acct. 124):	0	
Special Funds (125):		
DEBT SERVICE RESERVE ACCOUNT	87,884	3
Total (Acct. 125):	87,884	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	51,486	5
Electric		6
Sewer (Regulated)	40,974	7
Other (specify):		
NONE		8
Total (Acct. 142):	92,460	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
SPECIAL ASSESSMENTS & DEL UTILITY BILLS ON TAX ROLL	14,839	12
Total (Acct. 145):	14,839	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
DEFERRED CHARGES	17,822	15
Total (Acct. 183):	17,822	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
TAX EQUIV AND PAYROLL EXPENSES DUE TO MUNICIPALITY	50,924	16
Total (Acct. 233):	50,924	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	2,389,374	0	3,209,514	0	5,598,888	1
Materials and Supplies	5,536	0	3,808	0	9,344	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	558,020	0	634,559	0	1,192,579	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	1,331,494	0	1,618,418	0	2,949,912	6
Other (specify):						
NONE					0	7
Average Net Rate Base	505,396	0	960,345	0	1,465,741	
Net Operating Income						
Net Operating Income	181	0	(51,479)	0	(51,298)	8
Net Operating Income as a percent of						
Average Net Rate Base	0.04%	N/A	-5.36%	N/A	-3.50%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	1,825,912	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	(527,420)	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	1,298,492	
Net Income		
Net Income	(63,779)	5
Percent Return on Proprietary Capital	-4.91%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

A NEW ACCOUNTING SYSTEM INCLUDING SOFTWARE WAS INSTALLED THIS YEAR. THIS NEW SYSTEM'S CHART OF ACCOUNTS TIES IN MORE PRECISELY WITH THE PSC REPORT. THERE ARE SOME CLASSIFICATION DIFFERENCES THAT SHOW ON THIS YEAR'S REPORT. THIS WILL BE A ONE-TIME CHANGE.

FINANCIAL SECTION FOOTNOTES

Income Statement Account Details (Page F-02)

ADJUSTMENT OF BG BALANCE OF CUSTOMER ACCOUNTS RECEIVABLE MADE TO UNAPI EARNED SURPLUS BECAUSE PRIOR PROGRAM DID NOT ALLOW FOR DETERMINATION OF A/R AT A SET DATE. THE NEW SOFTWARE ALLOWS THIS SO THE ADJUSTMENT WAS PUT IN PRIOR YEARS BECAUSE THE ACCURATE SALES AND ENDING BALANCES WAS KNOWN AND NOT ESTIMATED IN THE CURRENT YEAR.

Balance Sheet End-of-Year Account Balances (Page F-18)

CONTRACT LABOR COSTS FOR REDEVELOPEMENT OF WELL #4&5. ORIGINAL COST 5/12/98 OF \$19,802.00, 5 YEAR AMORTIZATION, 1/2 YEAR TAKEN IN 1998. AMORTIZATION COST TO ACCT 650

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

Reply received 11/17/99:

Item 1: Should be 437000 kwh.

Item 2: Did not receive amortization, referred to Bruce M. and he drafted letter for Dave's signature authorizing amortization.

Item 3: Lutz and Bohl, CPA's

Item 4: New accounting system allowing more detail and breakdown of expenses than in prior years.

item 5: Receipt of special assessments done in prior years.
ele

October 11, 1999

Mr. John Martwick, Utility Superintendent
Phillips Municipal Water Works
P.O. Box 21
Phillips, WI 54555-0021

1998 Analytical Review DWCCA-4640-ELE

Dear Mr. Martwick:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. During our review, we noted 437 kWh reported on the Pumping and Purchased Water schedule. However, if we divide 6 cents (the average cost of a kWh) into the \$13,484 reported as the cost of fuel for pumping on the Water Operation and Maintenance Expenses schedule, the result is 224,733 kWh. Please indicate if the number on page W?10 should be 437,000 kWh, or otherwise explain this matter.

2. During our review, we noted \$17,822 reported in Account 183, Other Deferred Debits. The footnote to this schedule indicates that labor costs are being amortized. We cannot locate the PSC authorization to amortize this amount, please provide a copy.

3. During our review, we noted page iv, Identification and Ownership schedule indicates that there was an audit for the year 1998 conducted on March 19, 1999. Please provide the name and address of the individual auditing your records, as requested on page iv.

4. During our review, we noted that the totals for Sewer Operation Expenses, Sewer Maintenance Expenses, and Sewer Adm. and General Expenses reported on page S-1 increased or decreased 30% and \$2,000 from the prior year without explanation as requested in the headnotes to that schedule. Please provide a brief explanation of these increases or decreases and follow this

FINANCIAL SECTION FOOTNOTES

procedure in the future.

5. During our review, we noted \$8,032 reported as a contribution for sewer mains in Account 271, Contributions in Aid of Construction, page F-17. However, there are no corresponding sewer main units reported added on the Sewer Mains schedule, or sewer main dollar additions reported in Accounts 313, 314 or 315 of the Sewer Utility Plant schedule. Please explain this contribution.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 266-3768. Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Elaine Engelke
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

ELE:tlk:w:\compl\analytical review letters\Oct 11, 1999 rev letters.doc

cc: Mr. Mark Kronberger

WATER OPERATING REVENUES & EXPENSES

Particulars (a)		Amounts (b)	
Operating Revenues			
Sales of Water			
Sales of Water (460-467)		220,379	1
Total Sales of Water		220,379	
Other Operating Revenues			
Forfeited Discounts (470)		4,562	2
Other Water Revenues (474)		216	3
Amortization of Construction Grants (475)		0	4
Total Other Operating Revenues		4,778	
Total Operating Revenues		225,157	
Operation and Maintenance Expenses			
Plant Operation and Maintenance Expenses (600-660)		78,290	5
General Operating Expenses (680-690)		59,427	6
Total Operation and Maintenance Expenses		137,717	
Other Operating Expenses			
Depreciation Expense (403)		38,059	7
Amortization Expense (404)			8
Taxes (408)		49,200	9
Total Other Operating Expenses		87,259	
Total Operating Expenses		224,976	
NET OPERATING INCOME		181	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	574	23,269	53,580	4
Commercial	168	31,224	47,678	5
Industrial	16	44,895	44,346	6
Total Metered Sales to General Customers (461)	758	99,388	145,604	
Private Fire Protection Service (462)	15		5,666	7
Public Fire Protection Service (463)	1		57,337	8
Other Sales to Public Authorities (464)	16	4,925	11,772	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	790	104,313	220,379	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	57,337	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
NONE		4
Total Public Fire Protection Service (463)	57,337	
Forfeited Discounts (470):		
Customer late payment charges	603	5
Other (specify):		
MISC SERVICE CHARGES	3,959	6
Total Forfeited Discounts (470)	4,562	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	216	7
Other (specify):		
NONE		8
Total Other Water Revenues (474)	216	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	35,568	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	13,484	3
Chemicals (630)	17,891	4
Supplies and Expenses (640)	8,925	5
Repairs of Water Plant (650)	2,422	6
Transportation Expenses (660)		7
Total Plant Operation and Maintenance Expenses	78,290	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	11,033	8
Office Supplies and Expenses (681)	195	9
Outside Services Employed (682)	16,209	10
Insurance Expense (684)	9,843	11
Employees Pensions and Benefits (686)	19,423	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	2,724	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	59,427	
Total Operation and Maintenance Expenses	137,717	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		45,894	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department	PSC METHOD	502	2
Net property tax equivalent		45,392	
Social Security	ACTUAL PER WAGE EXPENSE	3,156	3
PSC Remainder Assessment		652	4
Other (specify): NONE			5
Total tax expense		49,200	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Richland				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.207988				3
County tax rate	mills		6.669463				4
Local tax rate	mills		10.720560				5
School tax rate	mills		8.497513				6
Voc. school tax rate	mills		1.879552				7
Other tax rate - Local	mills		0.000000				8
Other tax rate - Non-Local	mills		0.000000				9
Total tax rate	mills		27.975076				10
Less: state credit	mills		1.529146				11
Net tax rate	mills		26.445930				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		10.720560				14
Combined School Tax Rate	mills		10.377065				15
Other Tax Rate - Local	mills		0.000000				16
Total Local & School Tax	mills		21.097625				17
Total Tax Rate	mills		27.975076				18
Ratio of Local and School Tax to Total	dec.		0.754158				19
Total tax net of state credit	mills		26.445930				20
Net Local and School Tax Rate	mills		19.944407				21
Utility Plant, Jan. 1	\$	2,387,323	2,387,323				22
Materials & Supplies	\$	6,755	6,755				23
Subtotal	\$	2,394,078	2,394,078				24
Less: Plant Outside Limits	\$	750	750				25
Taxable Assets	\$	2,393,328	2,393,328				26
Assessment Ratio	dec.		0.961468				27
Assessed Value	\$	2,301,108	2,301,108				28
Net Local & School Rate	mills		19.944407				29
Tax Equiv. Computed for Current Year	\$	45,894	45,894				30
Tax Equivalent per 1994 PSC Report	\$						31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	45,894					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	13,538		4
Structures and Improvements (311)	711		5
Collecting and Impounding Reservoirs (312)	0		6
Lake, River and Other Intakes (313)	0		7
Wells and Springs (314)	115,025		8
Infiltration Galleries and Tunnels (315)	0		9
Supply Mains (316)	0		10
Other Water Source Plant (317)	0		11
Total Source of Supply Plant	129,274	0	
PUMPING PLANT			
Land and Land Rights (320)	0		12
Structures and Improvements (321)	121,335		13
Boiler Plant Equipment (322)	0		14
Other Power Production Equipment (323)	0		15
Steam Pumping Equipment (324)	0		16
Electric Pumping Equipment (325)	21,640		17
Diesel Pumping Equipment (326)	0		18
Hydraulic Pumping Equipment (327)	0		19
Other Pumping Equipment (328)	9,151		20
Total Pumping Plant	152,126	0	
WATER TREATMENT PLANT			
Land and Land Rights (330)	0		21
Structures and Improvements (331)	0		22
Water Treatment Equipment (332)	0		23
Total Water Treatment Plant	0	0	
TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	7,076		24
Structures and Improvements (341)	0		25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			13,538	4
Structures and Improvements (311)			711	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			115,025	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	129,274	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			121,335	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			21,640	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			9,151	20
Total Pumping Plant	0	0	152,126	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			7,076	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	150,100		26
Transmission and Distribution Mains (343)	1,624,994		27
Fire Mains (344)	0		28
Services (345)	139,425		29
Meters (346)	52,371	4,253	30
Hydrants (348)	119,090		31
Other Transmission and Distribution Plant (349)	0		32
Total Transmission and Distribution Plant	2,093,056	4,253	
GENERAL PLANT			
Land and Land Rights (370)	0		33
Structures and Improvements (371)	0		34
Office Furniture and Equipment (372)	0		35
Computer Equipment (372.1)	0		36
Transportation Equipment (373)	0		37
Other General Equipment (379)	0		38
Other Tangible Property (390)	12,867		39
Total General Plant	12,867	0	
Total utility plant in service directly assignable	2,387,323	4,253	
Common Utility Plant Allocated to Water Department	0		40
Total utility plant in service	2,387,323	4,253	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TRANSMISSION AND DISTRIBUTION PLANT				
Distribution Reservoirs and Standpipes (342)			150,100	26
Transmission and Distribution Mains (343)			1,624,994	27
Fire Mains (344)			0	28
Services (345)			139,425	29
Meters (346)	150		56,474	30
Hydrants (348)			119,090	31
Other Transmission and Distribution Plant (349)			0	32
Total Transmission and Distribution Plant	150	0	2,097,159	
GENERAL PLANT				
Land and Land Rights (370)			0	33
Structures and Improvements (371)			0	34
Office Furniture and Equipment (372)			0	35
Computer Equipment (372.1)			0	36
Transportation Equipment (373)			0	37
Other General Equipment (379)			0	38
Other Tangible Property (390)			12,867	39
Total General Plant	0	0	12,867	
Total utility plant in service directly assignable	150	0	2,391,426	
Common Utility Plant Allocated to Water Department			0	40
Total utility plant in service	150	0	2,391,426	

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			9,836	9,836	1
February			9,391	9,391	2
March			9,962	9,962	3
April			10,882	10,882	4
May			12,918	12,918	5
June			11,147	11,147	6
July			12,873	12,873	7
August			12,655	12,655	8
September			11,196	11,196	9
October			10,442	10,442	10
November			8,621	8,621	11
December			9,151	9,151	12
Total for year	0	0	129,074	129,074	
Less: Measured or estimated water used in main flushing and water treatment during year				1,200	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				127,874	16
Less: Water sold				104,313	17
Losses and unaccounted for				23,561	18
Percent unaccounted for to the nearest whole percent (%)				18%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				830	21
Date of maximum: 9/20/1998					22
Cause of maximum:					23
unknown					
Minimum gallons pumped by all methods in any one day during reporting year				150	24
Date of minimum: 12/26/1998					25
Total KWH used for pumping for the year				437,000	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
STAND-BY 1964	4	45	24	1,701	No	1
STAND-BY 1971	5	46	10	2,134	No	2
ACTIVE	6	70	8	342,320	Yes	3

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	4	5	6	1
Location	CITY	CITY	CITY	2
Purpose	S	S	P	3
Destination	T	T	T	4
Pump Manufacturer	LAYNE	LAYNE	LAYNE	5
Year Installed	1964	1971	1979	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	380	250	545	8
Pump Motor or Standby Engine Mfr	FAIRBANKS	GE	US ELECTRIC	9
Year Installed	1964	1971	1979	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	25	30	50	12

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	1	2	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS			2
			3
Type: R (reservoir), S (standpipe) or ET (elevated tank)	S	S	4
			5
Year constructed	1924	1971	6
			7
Primary material (earthen, steel, concrete, other)	STEEL	STEEL	8
			9
Elevation difference in feet (See Headnote 3.)	118	144	10
			11
Total capacity in gallons	100,000	250,000	12
WATER TREATMENT PLANT			13
Disinfection, type of equipment (gas, liquid, powder, other)	POWDER	GAS	14
			15
Points of application (wellhouse, central facilities, booster station, other)	CENTRAL FACILITIES	CENTRAL FACILITIES	16
			17
Filters, type (gravity, pressure, other, none)	GRAVITY	GRAVITY	18
			19
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)	600.0000	600.0000	20
			21
Is a corrosion control chemical used (yes, no)?	Y	Y	22
			23
Is water fluoridated (yes, no)?	Y	Y	24
			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
M	D	2.000	460	0	0	0	460
M	D	4.000	166	0	0	0	166
M	S	4.000	23	0	0	0	23
M	D	6.000	40,319	0	0	0	40,319
M	S	6.000	41,455	0	0	0	41,455
M	T	6.000	60	0	0	0	60
M	D	8.000	1,336	0	0	0	1,336
M	S	8.000	4,397	0	0	0	4,397
M	T	8.000	42	0	0	0	42
M	D	10.000	6,084	0	0	0	6,084
M	S	10.000	808	0	0	0	808
M	D	12.000	10,929	0	0	0	10,929
M	S	12.000	5,519	0	0	0	5,519
M	D	14.000	6,838	0	0	0	6,838
Total Within Municipality			118,436	0	0	0	118,436
Total Utility			118,436	0	0	0	118,436

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
A	0.625	680	0	0	0	680		1
A	0.750	1	0	0	0	1		2
A	1.000	49	0	0	0	49		3
A	1.500	10	0	0	0	10		4
A	2.000	21	0	0	0	21		5
A	3.000	5	0	0	0	5		6
Total Utility		766	0	0	0	766	0	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	692	24	6	0	710	99	1
0.750	1	0	0	0	1	0	2
1.000	29	0	0	0	29	8	3
1.500	10	0	0	0	10	5	4
2.000	20	0	0	0	20	7	5
3.000	4	0	0	0	4	1	6
Total:	756	24	6	0	774	120	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	554	124	9	5	0	18	710	1
0.750	1		0	0	0	0	1	2
1.000	2	24	1	2	0	0	29	3
1.500	0	7	1	2	0	0	10	4
2.000		11	4	5	0	0	20	5
3.000	0	1	1	2	0	0	4	6
Total:	557	167	16	16	0	18	774	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality	0				0	1
Within Municipality	137				137	2
Total Fire Hydrants	137	0	0	0	137	
Flushing Hydrants						
	0				0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	137
Number of distribution system valves end of year:	176
Number of distribution valves operated during year:	88

WATER OPERATING SECTION FOOTNOTES

NONE

SEWER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sewage Operating Revenues		
Sewage Operating Revenues (621-626)	179,945	1
Total Sewage Operating Revenues	179,945	
Other Operating Revenues		
Forfeited Discounts (631)	805	2
Servicing of Customers Laterals (632)	0	3
Sale of Fertilizer (633)	0	4
Rent from Sewerage Properties (634)	0	5
Miscellaneous Operating Revenues (635)	10,125	6
Amortization of Construction Grants (636)	28,915	7
Total Other Operating Revenues	39,845	
Total Operating Revenues	219,790	
Operation and Maintenance Expenses		
Operation Expenses (820-829)	62,869	8
Maintenance Expenses (831-834)	19,073	9
Customer Accounting & Collection Expenses (840-843)	11,464	10
Administrative and General Expenses (850-857)	72,382	11
Total Operation and Maintenance Expenses	165,788	
Other Operating Expenses		
Depreciation Expense (403)	101,346	12
Amortization Expense (404)		13
Taxes (408)	4,135	14
Total Other Operating Expenses	105,481	
Total Operating Expenses	271,269	
NET OPERATING INCOME	(51,479)	

SEWAGE OPERATING REVENUES

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for flat rate service.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. In the gallons column, report metered water or sewage used as the basis in determining customer bills.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons Billed (c)	Amounts (d)	
Operating Revenues				
Sewage Operating Revenues				
Flat Rate Service to General Customers (621)				
Residential Revenues	1	41	145	1
Commercial Revenues				2
Industrial Revenues				3
Revenues from Public Authorities				4
Total Flat Rate Service to General Customers (621)	1	41	145	
Measured Service to General Customers (622)				
Residential Revenues	573	22,642	75,435	5
Commercial Revenues	167	23,945	58,832	6
Industrial Revenues	16	15,909	34,229	7
Revenues from Public Authorities	16	4,788	11,304	8
Total Measured Service to General Customers (622)	772	67,284	179,800	
Service to Public Authorities (623)				9
Service to Other Systems (624)				10
Other Sewerage Service (625)				11
Interdepartmental Service (626)				12
Total Sewage Operating Revenues	773	67,325	179,945	

HIGH STRENGTH CONTRIBUTORS

1. High strength contributor is one with waste stronger than 250 mg/l for B.O.D. or 250 mg/l for suspended solids or 10 mg/l for phosphorus.
2. If domestic strength limits for BOD, SS and Phos. used for rate purposes are different from the levels indicated, please note the limits used in the spaces available.
3. The units "mg/l" are now used in place of the equivalent "ppm."
4. List type, volume, strength.

Type (a)	Volume Annual Gallons (000's) (b)	BOD (mg/l) (c)	SS (mg/l) (d)	Phos (mg/l) (e)
NONE				

1

OTHER OPERATING REVENUES (SEWER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$2,000 and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Customers Forfeited Discounts (631):		
Customer late payment charges	805	1
Other (specify):		
NONE		2
Total Customers Forfeited Discounts (631)	805	
Servicing of Customers Laterals (632):		
NONE		3
Total Servicing of Customers Laterals (632)	0	
Sale of Fertilizer (633):		
NONE		4
Total Sale of Fertilizer (633)	0	
Rent from Sewerage Property (634):		
NONE		5
Total Rent from Sewerage Property (634)	0	
Miscellaneous Operating Revenues (635):		
OTHER CHARGES FOR SERVICES	10,125	6
Total Miscellaneous Operating Revenues (635)	10,125	
Amortization of Construction Grants (636):		
CONSTRUCTION GRANT	28,915	7
Total Amortization of Construction Grants (636)	28,915	

SEWER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
OPERATION EXPENSES		
Supervision and Labor (820)	34,808	1
Power and Fuel for Pumping (821)	19,363	2
Power and Fuel for Aeration Equipment (822)		3
Chlorine (823)		4
Phosphorous Removal Chemicals (824)		5
Sludge Conditioning Chemicals (825)		6
Other Chemicals for Sewage Treatment (826)	7,230	7
Other Operating Supplies and Expenses (827)	1,468	8
Transportation Expenses (828)		9
Rents (829)		10
Total Operation Expenses	62,869	
MAINTENANCE EXPENSES		
Maintenance of Sewage Collection System (831)		11
Maintenance of Collection System Pumping Equipment (832)		12
Maintenance of Treatment and Disposal Plant Equipment (833)		13
Maintenance of General Plant Structures and Equipment (834)	19,073	14
Total Maintenance Expenses	19,073	
CUSTOMER ACCOUNTING & COLLECTION EXPENSES		
Billing, Collecting and Accounting (840)	11,464	15
Flat Rate Inspections (841)		16
Meter Reading (842)		17
Uncollectible Accounts (843)		18
Total Customer Accounting & Collection Expenses	11,464	
ADMINISTRATIVE AND GENERAL EXPENSES		
Administrative and General Salaries (850)		19
Office Supplies and Expenses (851)	464	20
Outside Services Employed (852)	35,556	21
Insurance Expense (853)	9,843	22
Employees Pensions and Benefits (854)	18,751	23

SEWER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
ADMINISTRATIVE AND GENERAL EXPENSES		
Regulatory Commission Expenses (855)		24
Miscellaneous General Expenses (856)	7,768	25
Rents (857)		26
Total Administrative and General Expenses	72,382	
Total Operation and Maintenance Expenses	165,788	

TAXES (ACCT. 408 - SEWER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Social Security	ACTUAL PER WAGES PAID	2,981	1
Local and School Tax Equivalent on Meters Charged by Water Department		502	2
PSC Remainder Assessment		652	3
Other (specify): NONE			4
Total tax expense		4,135	

SEWER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	0		1
Franchises and Consents (302)	0		2
Miscellaneous Intangible Plant (303)	0		3
Total Intangible Plant	0	0	
COLLECTION SYSTEM			
Land and Land Rights (310)	0		4
Structures and Improvements (311)	19,947		5
Service Connections, Traps, and Accessories (312)	148,942		6
Collecting Mains and Accessories (313)	976,099		7
Interceptor Mains and Accessories (314)	30,495		8
Force Mains (315)	0		9
Other Collecting System Equipment (316)	0		10
Total Collection System	1,175,483	0	
COLLECTION SYSTEM PUMPING INSTALLATIONS			
Land and Land Rights (320)	0		11
Structures and Improvements (321)	0		12
Receiving Wells (322)	3,575		13
Electric Pumping Equipment (323)	36,388		14
Other Power Pumping Equipment (324)	5,961		15
Miscellaneous Pumping Equipment (325)	0		16
Total Collection System Pumping Installations	45,924	0	
TREATMENT AND DISPOSAL PLANT			
Land and Land Rights (330)	875		17
Structures and Improvements (331)	513,597		18
Preliminary Treatment Equipment (332)	135,592		19
Primary Treatment Equipment (333)	49,106		20
Secondary Treatment Equipment (334)	557,458		21
Advanced Treatment Equipment (335)	0		22
Chlorination Equipment (336)	51,736		23
Sludge Treatment and Disposal Equipment (337)	299,415		24
Plant Site Piping (338)	290,769		25
Flow Metering and Monitoring Equipment (339)	67,062		26
Outfall Sewer Pipes (340)	0		27

SEWER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	0	
COLLECTION SYSTEM				
Land and Land Rights (310)			0	4
Structures and Improvements (311)			19,947	5
Service Connections, Traps, and Accessories (312)			148,942	6
Collecting Mains and Accessories (313)			976,099	7
Interceptor Mains and Accessories (314)			30,495	8
Force Mains (315)			0	9
Other Collecting System Equipment (316)			0	10
Total Collection System	0	0	1,175,483	
COLLECTION SYSTEM PUMPING INSTALLATIONS				
Land and Land Rights (320)			0	11
Structures and Improvements (321)			0	12
Receiving Wells (322)			3,575	13
Electric Pumping Equipment (323)			36,388	14
Other Power Pumping Equipment (324)			5,961	15
Miscellaneous Pumping Equipment (325)			0	16
Total Collection System Pumping Installations	0	0	45,924	
TREATMENT AND DISPOSAL PLANT				
Land and Land Rights (330)			875	17
Structures and Improvements (331)			513,597	18
Preliminary Treatment Equipment (332)			135,592	19
Primary Treatment Equipment (333)			49,106	20
Secondary Treatment Equipment (334)			557,458	21
Advanced Treatment Equipment (335)			0	22
Chlorination Equipment (336)			51,736	23
Sludge Treatment and Disposal Equipment (337)			299,415	24
Plant Site Piping (338)			290,769	25
Flow Metering and Monitoring Equipment (339)			67,062	26
Outfall Sewer Pipes (340)			0	27

SEWER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TREATMENT AND DISPOSAL PLANT			
Other Treatment and Disposal Plant Equipment (341)	0		28
Total Treatment and Disposal Plant	1,965,610	0	
GENERAL PLANT			
Land and Land Rights (370)	0		29
Structures and Improvements (371)	0		30
Office Furniture and Equipment (372)	0		31
Computer Equipment (372.1)	0		32
Transportation Equipment (373)	7,879		33
Other General Equipment (379)	3,978		34
Other Tangible Property (390)	10,640		35
Total General Plant	22,497	0	
Total utility plant in service directly assignable	3,209,514	0	
Common Utility Plant Allocated to Sewer Department	0		36
Total utility plant in service	3,209,514	0	

SEWER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
TREATMENT AND DISPOSAL PLANT				
Other Treatment and Disposal Plant Equipment (341)			0	28
Total Treatment and Disposal Plant	0	0	1,965,610	
GENERAL PLANT				
Land and Land Rights (370)			0	29
Structures and Improvements (371)			0	30
Office Furniture and Equipment (372)			0	31
Computer Equipment (372.1)			0	32
Transportation Equipment (373)			7,879	33
Other General Equipment (379)			3,978	34
Other Tangible Property (390)			10,640	35
Total General Plant	0	0	22,497	
Total utility plant in service directly assignable	0	0	3,209,514	
Common Utility Plant Allocated to Sewer Department			0	36
Total utility plant in service	0	0	3,209,514	

SEWER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily disconnected or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by diameter; pipe materials do not need to be specified.

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
Sewer	4.000	733	0	0	0	733	0	1
Sewer	6.000	25	0	0	0	25	0	2
Total Utility		758	0	0	0	758	0	

SEWER MAINS

1. Report mains separately by diameter. Pipe materials do not need to be specified.
2. Explain all reported adjustments as a schedule footnote.
3. For main additions reported in column (c), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet						
Diameter in Inches (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	
8.000	24,969	0	0	0	24,969	1
10.000	34,460	0	0	0	34,460	2
12.000	1,555	0	0	0	1,555	3
15.000	6,787	0	0	0	6,787	4
20.000	1,263	0	0	0	1,263	5
Total Utility	69,034	0	0	0	69,034	

SEWER OPERATING SECTION FOOTNOTES

NONE